**GOVERNMENT OF ANDHRA PRADESH**
**ABSTRACT**

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Bharat Forge Limited (BFL), flagship company of Kalyani Group to set up an automotive Industrial park which focused on 3 areas; Manufacturing Aluminium die casting products, forgings and machining over 100 Acres contiguous land parcel with an investment of around Rs 1400 crore in two phases in Mambattu Village, Nellore District – Orders- Issued.

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**INDUSTRIES & COMMERCE (P&I) DEPARTMENT**

G.O. Ms. No.118 Dated:26-08-2016

Read the following:-

(1) From M/s. Bharat Forge Limited (BFL), email Dt:27.02.2016.
(2) Empowered Committee of Secretaries Meeting held on 20.06.2016.
(3) State Investment Promotion Board Meeting held on 08.07.2016.

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**O R D E R**

In the reference 1st read above, Bharat Forge Ltd. (BFL) have informed that the Kalyani Group wants to set up an automotive Industrial Park in the State of Andhra Pradesh under its flagship company named M/s. Bharat Forge Limited (BFL). The proposed Industrial Park will broadly focus on 3 areas; Manufacturing Aluminium die casting products, forgings and machining. The project is proposed to be spread over 100 Acres contiguous land parcel in Mambattu Village, Nellore District with an investment of around Rs. 1400 crore in two phases. The proposed facility will aid employment generation through 3,645 direct jobs and 3,000 indirect jobs and provide ancillary support to Andhra Pradesh's automotive industry. The Company requested for the following:

(i) Approvals within 21 days through Single Desk Portal
(ii) Capital Subsidy for Auto Clusters and ASMC developers – 50% of fixed capital investment in building &common infrastructure (Maximum of Rs. 20 crore)
(iii) Patent cost - 75% reimbursement subject to a maximum of Rs. 25 lakhs
(iv) Quality Certification - 50% reimbursement subject to a maximum of Rs. 5 lakhs for MSME units
(v) 100% of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use will be reimbursed.
(vi) 24*7 power supply.
(vii) Road (about 3 km) to be developed from Highway to project site (behind Indus Coffee). GoAP to ascertain if Right of Way is available for road to be developed. The estimated cost for the 4 lane road is about Rs.15 Crore.
(viii) Exemption to be provided in case of change in registration to Subsidiary/Joint Venture company within first 3 years of project
(ix) 100% CST reimbursement for 10 years or GST regime whichever is earlier.
(x) Gross VAT/SGST reimbursement on sale of finished goods for 20 years or 150% of capex spent in first 7 years, whichever is earlier.
(xi) Concessional VAT/SGST rates on input & capital goods @ 5%, and reimbursement of state VAT/SGST of input credit for 20 years
(xii) No entry Tax and Octroi
(xiii) At 50% of the price of existing industrial supply tariff for the initial 5 ears

2. In the reference 2nd read above, the Empowered Committee of Secretaries in its meeting dt:20.06.2016 has discussed the proposal of M/s. Bharat Forge Limited (BFL) and has recommended the following incentives/benefits to the SIPB for the unit:

(i) 100% CST reimbursement for 10 years
(ii) 100% Gross VAT/SGST reimbursement on finished goods for 20 years or 150% of capital expenditure

(P.T.O)

(iii) Concessional VAT/SGST rates on input & capital goods @ 5%, and reimbursement of input VAT Credit or 20 years
(iv) 100% of the external infrastructure support for 4 lane Road (about 3 km) from Highway to project site estimated cost Rs 3 Crore, as it will open up the industrial area and useful for many industries coming up in that area
(v) Exemption in case of change in registration to Subsidiary/Joint Venture company within first 3 years
(vi) Water at a concessional rate of Rs.15 /- per KL for 5 years
(vii) All other benefits as per Automobile and Automobile Components Policy 2015-20.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) in its meeting dt:08.07.2016 has discussed the proposal of M/s. Bharat Forge Limited (BFL) in detail and decided to extend the following incentives:

(i) 100% CST reimbursement for 10 years.
(ii) 100% Gross VAT/SGST reimbursement on finished goods for 20 years or 150% of capital expenditure.
(iii) Concessional VAT/SGST rates on input & capital goods @ 5%, and reimbursement of input VAT Credit for 20 years.
(iv) 100% of the external infrastructure support for 4 lane Road (about 3 km) from Highway to project site, as it will open up the industrial area and be useful for many industries coming up in that area.
(v) Exemption in case of change in registration to Subsidiary/Joint Venture company within first 3 years, subject to condition that Parent company should have Majority share.
(vi) Water at a concessional rate of Rs.15 /- per KL for 5 years.
(vii) All other benefits as per Automobile and Automobile Components Policy 2015-20.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. Bharat Forge Limited (BFL) flagship company of Kalyani Group for setting up an automotive Industrial Park which broadly focuses on 3 areas; Manufacturing Aluminium die casting products, forgings and machining at Mambattu Village, Nellore District over 100 Acres contiguous land parcel with an investment of around Rs 1400 crore in two phases in Mambattu Village, Nellore District:

(i) 100% CST reimbursement for 10 years
(ii) 100% Gross VAT/SGST reimbursement on finished goods for 20 years or 150% of capital expenditure
(iii) Concessional VAT/SGST rates on input & capital goods @ 5%, and reimbursement of input VAT Credit for 20 years
(iv) 100% of the external infrastructure support for 4 lane Road (about 3 km) from Highway to project site, as it will open up the industrial area and be useful for many industries coming up in that area
(v) Exemption in case of change in registration to Subsidiary/Joint Venture company within first 3 years, subject to condition that Parent company should have Majority share.
(vi) Water at a concessional rate of Rs.15 /- per KL for 5 years
(vii) All other benefits as per Automobile and Automobile Components Policy 2015-20.

5. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad.
M/s. Bharat Forge Limited (BFL) through the DOI, A.P. Hyderabad.

(Contd.)

Copy to:
The Finance (FMU-Rev.IC)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Transport Roads and Buildings Department.
The Water Resources Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The Collector & District Magistrate, Nellore District.
The General Manager, District Industries, Centre, Nellore District.
The Zonal Manager, A.P.I.I.C., Nellore District.
P.S. to Principal Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER